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BY-LAWS

OF

FEDERAL CROP INSURANCE CORPORATION

AS OF JULY 30, 1948

ARTICLE I -- TITLE AND LOCATION

Section 1. Title -- The name of the Corporation is the FEDERAL CROP INSURANCE CORPORATION.

Section 2. Location -- The location of the principal office of the Corporation shall be in the Southern Extensible Building, Department of Agriculture, City of Washington, District of Columbia. The Corporation shall have branch offices at such other places within the United States as the Board may from time to time establish.

ARTICLE II -- DIRECTORS

Section 1. Number and Qualifications -- The Board shall consist of the Manager of the Corporation, two other persons employed in the Department of Agriculture, and two persons experienced in the insurance business who are not otherwise employed by the Government.

Section 2. Appointment, Term of Office, and Vacancies -- The members of the Board shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture, who shall not, himself, be a member of the Board. Vacancies on the Board, so long as there shall be three members in office, shall not impair the powers of the Board to execute the functions of the Corporation, and three of the members in office shall constitute a quorum for the transaction of the business of the Board. Vacancies in the Board shall be filled in the same manner as appointments to the original Board.

Section 3. Compensation -- The Directors of the Corporation who are employed in the Department of Agriculture shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia. The members of the Board who are not employed by the Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day when actually employed and necessary traveling and subsistence expenses when engaged in business of the Corporation away from their homes or regular places of business.

Section 4. Chairman -- The Secretary of Agriculture shall designate one of the members of the Board to act as Chairman. The Chairman shall preside over all meetings of the Board, whether regular or special. The Chairman also may call special meetings of the Board. In the absence of the Chairman from any meeting, the member of the Board designated by the Secretary of Agriculture shall be acting chairman for the purpose of that meeting.

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Section 5. Powers and Duties --

(a) The Board, subject to the general supervision of the Secretary of Agriculture, shall manage the affairs of the Corporation.

(b) The Board, or the Manager with the approval of all members of the Board, shall recommend to the Secretary of Agriculture the appointment of such officers and employees as may be necessary for the transaction of the business of the Corporation: Provided, however, That the Manager or Secretary may recommend to the Secretary of Agriculture the appointment or grade promotion of employees to positions with a basic entrance salary in the service and grade of CAF-12, P-5, or the equivalent in salary: Provided, further, That the appointment of all State Directors shall be submitted to the Board of Directors: Provided, further, That the Manager or Secretary may recommend the promotion of employees to the Secretary of Agriculture in accordance with established Departmental policy, and appointments may be made by designated Corporation employment officers pursuant to the Administrative Regulations of the Department of Agriculture (8 A.R. 318).

(c) The Board shall also recommend to the Secretary of Agriculture the officers and the employees of the Corporation from whom bonds shall be required and the amount of such bonds.

(d) The Board may establish or utilize committees or associations of producers and make payments to such committees or associations to cover the estimated administrative expenses to be incurred by them in cooperating in carrying out the Federal Crop Insurance Program and may also provide that all or part of such estimated expenses may be included in the insurance premiums charged by the Corporation.

(e) The Board may, in its discretion, utilize producer-owned and producer-controlled cooperative associations.

(f) The Board shall recommend to the Secretary of Agriculture the bureaus and offices of the Department and other agencies of the State and Federal Governments, which may be utilized in carrying out the Federal Crop Insurance Program.

(g) The Board shall determine the compensation of the members of the Advisory Committee of the Federal Crop Insurance Corporation. Such compensation per day while actually employed shall not be in excess of ten (\$10.00) dollars, plus actual necessary traveling and subsistence expenses, or in lieu of subsistence expenses, a per diem allowance.

(h) The Board, with the approval of the Secretary of Agriculture, shall call for payment, in whole or in part, of the capital stock of the Corporation. Any impairment of the capital stock of the Corporation shall be restored by the Board only out of operating profits of the Corporation.

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(i) The Board shall determine whether expenses of the Corporation in connection with purchase, transportation, or handling of any agricultural commodity shall be considered as being non-administrative or non-operating expenses.

(j) The Board shall determine the character and necessity of the expenditures of the Corporation and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any law (other than the Federal Crop Insurance Act) governing the expenditure of public funds. Such determinations by the Board, upon approval by the Secretary of Agriculture, shall be final and conclusive upon all other officers of the Government.

Section 6. Meetings of the Board --

(a) The first meeting of the Board shall be held in the City of Washington, District of Columbia, at such time and place as shall be designated by the Secretary of Agriculture. No formal notice of such meeting shall be required.

(b) Regular meetings of the Board shall be called by the Chairman of the Board.

(c) Special meetings of the Board shall be called by the Secretary of Agriculture, the Chairman of the Board, or by any three members of the Board.

ARTICLE III -- OFFICERS

Section 1. Manager -- The Manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. He shall be appointed by, and hold office at the pleasure of, the Secretary of Agriculture. The Manager shall keep the Board fully informed as to all business and financial affairs of the Corporation, and he shall report at all meetings of the Board upon the operation of the Corporation.

The Manager shall, in the name of the Corporation, execute or cause to be executed, all policies, deeds, leases, bonds, mortgages, contracts, notes, bids and all other obligations authorized by the Board.

The Manager, in accordance with the limitations prescribed by the Federal Crop Insurance Act and these by-laws shall recommend to the Board the appointment, removal, powers, and duties, and compensation of all officers and employees of the Corporation.

He shall also recommend to the Board annually for its consideration the budget of the Corporation for the next ensuing fiscal year.

In addition to the duties of the Manager specified in these by-laws, he shall exercise such other power and authority as may from time to time be conferred upon him by the Board.

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Section 2. Secretary -- The Secretary of the Corporation, upon the recommendation of the Board, shall be appointed by the Secretary of Agriculture.

The Secretary shall give notice of all regular and special meetings of the Board when requested by the person or persons authorized to call such meetings. He shall record all proceedings of the meetings of the Board in a book to be kept for that purpose. He shall have custody of the seal of the Corporation and shall affix the same to all instruments requiring it and shall attest the same when authorized by the Board or the Manager. He shall sign such instruments as require his signature.

The Secretary shall perform all the duties incident to the office of secretary and such other duties as may be assigned to him from time to time by the Manager or the Board.

Section 3. Other Officers -- The Secretary of Agriculture, upon the recommendation of the Board, shall appoint such other officers of the Corporation as he may deem necessary.

ARTICLE IV -- CORPORATE SEAL

Section 1. The Corporate seal of the Corporation shall have inscribed thereon "Federal Crop Insurance Corporation, a Corporation of the United States of America, 1938, Corporate Seal". The seal of the Corporation may be affixed to any document by a facsimile thereof being impressed or otherwise reproduced thereon.

ARTICLE V -- NOTICE AND WAIVER OF NOTICE

Section 1. Notice -- The members of the Board shall be given not less than three days' notice of any regular or special meeting of the Board. Such notice shall not be construed to be limited to personal notice but may be given in writing by delivering or mailing the same to the office of the member. Where notice is given by mail, allowance shall be made for the time normally required for delivery of mail to the office of the member in order that the notice period will not be less than three days. The notice of any regular or special meeting shall contain a statement of the time, place and purpose of the meeting.

Section 2. Waiver of Notice -- Notwithstanding any provision of these by-laws, if all members of the Board shall waive notice of the meeting, either regular or special, of the Board, no notice shall be required. Such waiver signed by all the members of the Board shall be filed with the Secretary.

ARTICLE VI -- OFFICIAL REGULATIONS

Section 1. Official Regulations -- The regulations of the Department of Agriculture, its procedures and its administrative policies, shall govern the operations and activities of the Federal Crop Insurance Corporation, except with respect to the issuance of contracts of insurance, the sale and purchase

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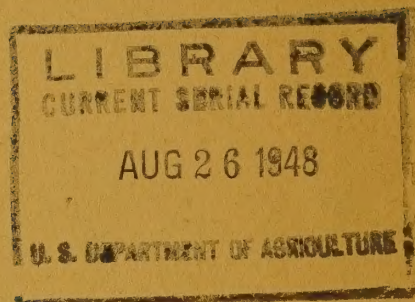
of grain, the adjustment and settlement of claims for indemnities, the payment of indemnities, the transportation of commodities, the system of accounting, and such other matters as may be specifically authorized by the Board; and with respect to these exceptions, the regulations and general administrative policies of the Corporation are to be written in docket style and are to be recommended by the Manager and approved by the Board of Directors and the Secretary of Agriculture.

ARTICLE VII -- APPROVAL OF MINUTES

Section 1. Approval of Minutes -- The minutes of each meeting of the Board recorded by the secretary shall be approved in writing by the members of the Board present at such meeting.

ARTICLE VIII -- ADOPTION, AMENDMENT, OR
REPEAL OF BY-LAWS

Section 1. Adoption, Amendment, or Repeal of By-Laws -- The by-laws of the Corporation shall be adopted, amended or repealed only by a majority vote of the members of the Board and shall become effective only upon the approval of the Secretary of Agriculture.



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